

# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240  
June 4, 1999



Department of the Interior Acquisition Policy Release 1999-8

Subject: Changes to FPDS Reporting Manual on Purchase Charge Card Transactions

1. Purpose:

- a. Distribute OFPP Memorandum of May 18, 1999, subject as above.
- b. Provide guidance on reporting of purchase charge card actions to the Interior Procurement Data System.

1. Effective Date: Immediately.


2. Expiration: This policy release remains effective until canceled or superseded.

3. Background: By memorandum dated May 18, 1999, the Office of Federal Procurement Policy clarified reporting requirements for the Federal Procurement Data System (FPDS) relating to purchase charge card (see copy attached). Actions under the micro-purchase threshold are to NOT be reported into the Interior Procurement Data System (IPDS) (our feeder system into FPDS).

Actions above the micro-purchase threshold but below \$10,000 have historically not been reported to the IPDS but recent OFPP proposals would have required IPDS reporting of all card transactions. The May 18 OFPP guidance states that FPDS will not attempt to require reporting of actions between \$2,500 and \$25,000 until they can better assess the socioeconomic data available from the MasterCard/VISA systems.

4. Action Required: Bureaus are to continue current reporting practices regarding purchase card transactions over the micro-purchase threshold, i.e., do not report charge card transactions under \$25,000.

Questions may be directed to Wiley Horsley on 202-208-3347.

  
Paul A. Denett  
Senior Procurement Executive

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL  
PROCUREMENT POLICY

May 18, 1999

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES  
AND THE DEPUTY UNDER SECRETARY OF DEFENSE  
(ACQUISITION REFORM)

FROM:

Deidre A. Lee  
Administrator

SUBJECT:

Changes to the FPDS Reporting Manual on Purchase Card  
Transactions

At the April 1999 Procurement Executives Council (PEC) meeting, we discussed the OFPP proposal set forth in the attached March 5, 1999 memorandum to clarify the guidance on reporting purchase card transactions to the Federal Procurement Data System (FPDS). The PEC agreed that OFPP should clarify the FPDS guidance when the purchase card is used to make purchases at or below the micro-purchase threshold. The FPDS guidance should state that agencies shall not report micro-purchases obtained through the use of the purchase card. GSA collects data centrally on these purchases from its purchase card contractors. Therefore, we are changing the FPDS Reporting Manual as follows:

Part III, B.2 Reportable/Non Reportable Actions

c. Agencies shall not report the following actions:

- (3) Imprest fund transactions, SF 44 purchases, training authorizations, and micro-purchases (purchases valued at \$2,500 or less) obtained through the use of the government purchase card. The term "micro-purchase" has the same meaning as set forth in FAR 2.101. (See Appendix B).

We also realize that agencies use the purchase card above the micro-purchase threshold at various dollar levels and there is no consistency in FPDS reporting practices. Notwithstanding, the PEC agreed that OFPP should not take action at this time to clarify the FPDS guidance when the card is used above the micro-purchase threshold. Although GSA collects data centrally on all purchase card transactions (above and below the micro-purchase threshold), GSA should be given time to provide the PEC with a status report on the availability of socio-economic data under its new purchase card contracts.

The above change becomes effective immediately. We will provide a replacement page when we issue the next amendment to the FPDS Reporting Manual. In the meantime, we ask that you notify your contracting activities of this change. Should you have questions, please contact Linda Williams on 202-395-3302.

**Attachment**

c:     **FPDS Policy Advisory Board Members**  
       **FPDC Agency Contacts**



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL  
PROCUREMENT POLICY

March 5, 1999

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES  
AND THE DEPUTY UNDER SECRETARY OF DEFENSE  
(ACQUISITION REFORM)

FROM:

Deidre A. Lee  
Administrator

SUBJECT:

Clarifying FPDS Reporting Guidance on Purchase Card Transactions

In November, we advised that the results of the attached August survey required further analysis before deciding how to clarify the FPDS guidance on reporting purchase card transactions above the micro-purchase threshold. Our analysis indicates that agencies use the card at various dollar thresholds and there is no consistency in their FPDS reporting practices. For example, some agencies use the card to make purchases and payments up to \$100,000, while others appear to have no dollar limit when using the card to make payments. Some agencies report purchase card transactions above the micro-purchase threshold, while other agencies do not. Most agencies, if given a preference, would not report contract actions above the micro-purchase threshold involving the use of purchase card.

As a result of unclear policy, FPDS data (which policy makers rely on to measure the success of procurement programs) is incomplete. Therefore, we recommend the following changes to FPDS policy:

1. When the card is used above the micro-purchase threshold to place a task or delivery order under an indefinite delivery contract, Federal supply schedule, or blanket purchase agreement, agencies shall report the transaction to the FPDS.
2. When the card is used above the micro-purchase threshold to pay for purchases under contractual instruments such as simplified acquisitions, agencies shall report the contract action for the simplified acquisition to the FPDS.
3. When the card is used at or below the micro-purchase threshold, agencies shall not report the transaction to the FPDS. (Reference OFPP January 13, 1995 guidance)

Please be prepared to indicate your concurrence with the policy changes described above during the April Procurement Executives Council meeting; your agreement is needed in order to revise the FPDS Reporting Manual. If you do not concur with this policy, please plan to present and discuss alternatives. Should you have questions, please contact Linda Williams on 202-395-3302.

**Attachment**

cc: FPDS Policy Advisory Board Members  
FPDC Agency Contacts



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL  
PROCUREMENT POLICY

August 21, 1998

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES  
AND THE DEPUTY UNDER SECRETARY FOR DEFENSE  
(ACQUISITION REFORM)

FROM:

Deidre A. Lee  
Administrator

SUBJECT:

Proposed Alternatives to Clarify FPDS Reporting Guidance on Purchase Card Transactions

GSA's Smart Card contracts, which become operational in November 1998, will provide agencies with the next generation of purchase cards to further strengthen micro-purchasing and payment for other small dollar purchases. In addition, the cards will help agencies improve their capability to capture socio-economic data to assess small business participation. This capability is particularly important given the growing use of purchase cards. For these reasons, I am seeking your input as we re-evaluate the Federal Procurement Data System (FPDS) data collection policies relating to purchase card transactions.

I. Proposed Alternatives to Clarify Current FPDS Reporting Requirements.

In accordance with the September 1997 FPDS Reporting Manual, agencies do not report credit card purchases. In particular, when agencies use the card to make micro-purchases, those purchases are not reportable (see attached OFPP January 13, 1995 guidance). GSA obtains purchase card information from its purchase card contractor and provides this information directly to the Federal Procurement Data Center (FPDC). This helps to reduce agencies' reporting burden.

Questions have arisen regarding FPDS reporting when the card is used in actions above the micro-purchase threshold and the agency executes a contractual instrument (paper or electronic order or contract). In these cases, the card is typically used to make payment for an order placed under an existing contract. We are considering two alternative approaches to clarify the FPDS instructions regarding transactions above the micro-purchase threshold.

**Alternative A:** Agencies shall report to the FPDS any transaction above the micro-purchase threshold involving the use of the purchase card.

The existing GSA contractor and the new Smart Card contractors only capture limited data on purchase card transactions. (Attachment B identifies the type of data that will be available initially through the GSA Smart Card contracts.) By continuing to capture FPDS data, policy makers will have other valuable information regarding those purchases such as the extent of competition, the type of preference program used, and whether the contract action is a new definitive contract, an order under a schedule contract, or a modification. This alternative could result in an overstatement of total Federal procurement dollars if purchase card activity is combined with the FPDS data.

**Alternative B:** Agencies shall not report to the FPDS any transactions above the micro-purchase threshold involving the purchase card.

This alternative reduces the reporting burden on agencies and avoids the potential for double counting because the purchase card information would be captured centrally by the GSA contractor. Using the GSA data, the FPDC publishes the number of transactions and sales volume by agency in the FPDS Federal Procurement Report. We will, however, lose visibility of other valuable information regarding these purchases that would be available under Alternative A.

In order to determine which, if either, of these reporting policy alternatives is more appropriate, we would like feedback on the following questions:

1. Up to what dollar value does your agency permit use of the purchase card in any capacity?
2. Has your agency been reporting purchase card transactions above the micro-purchase threshold to FPDS? If yes, do you report all actions or only those where a paper (or electronic) order or contract is issued? If not, why not?
3. Of the two alternatives identified above, which one does your agency support and why? If you believe neither of these approaches is appropriate, indicate what alternative approach you would recommend to ensure adequate data is available for purchases above the micropurchase threshold using the purchase card.

## **II. Collecting Information on Small Business Participation.**

The socio-economic information available from the GSA Smart Card contracts is essentially equivalent to the type of contractor data field on the SF 281 (Summary Contract Action Report) and SF 279 (Individual Contract Action Report). MasterCard and Visa collect the socio-economic information through a merchant profile that is completed when merchants join these networks. The GSA Smart Card contractors rely on the MasterCard or Visa databases to

capture socio-economic information on purchase card transactions processed through the MasterCard and Visa networks.

It is important that we are effectively and efficiently capturing socio-economic data -- especially that related to small business activity -- on all transactions (below and above the micro-purchase threshold) involving the purchase card. More accurate data will help to develop a better picture of the impact of purchase card use on small business participation. In addition, the data will help us gain a clearer understanding of the impact of the micro-purchase exemption from small business set-aside requirements.

Accordingly, we request your feedback on the following additional questions:

4. Under the new Smart Card contracts, GSA intends to continue its current practice of obtaining purchase card information directly from the GSA contractors and providing it to the FPDC. Do you foresee any problems with this planned action?
5. Should GSA work with its contractors to make standard reports on socio-economic data available to all agencies in addition to providing information directly to the FPDC?

Please provide your feedback to the five questions set out above not later than September 18, 1998. We will evaluate your feedback and clarify the FPDS reporting instructions as appropriate. Our goal is to issue revised instructions by October 31, 1998. Should you have any questions, please contact Linda Williams of my staff on 202-395-3302.

#### Attachments

cc: FPDS Policy Advisory Board Members  
FPDS Agency Contact





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL  
PROCUREMENT POLICY

January 13, 1995

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES  
AND THE DEPUTY UNDER SECRETARY OF DEFENSE  
(ACQUISITION REFORM)

FROM: Steven Kelman *SK*  
Administrator

SUBJECT: Reporting Requirements for Micropurchases

Concerns have been raised about reporting micropurchases to the Federal Procurement Data System (FPDS). This is to advise that micropurchases (purchases valued at \$2,500 or less) obtained through the use of the government purchase card are not reportable to the FPDS. However, micropurchases awarded using other simplified procedures are reportable. This is consistent with established policy included in the FPDS Reporting Manual (October 1988) that purchases obtained through the use of government purchase card are not reportable.

Should you have any further questions, please call Linda Williams of my staff on 202-395-3302.

cc: FPDS Policy Advisory Board Members  
FPDC Agency Contacts

## Information Available under new GSA Smart Card Contracts

### *MasterCard Data Base*

- Business Type: 1) Corporation or 2) other business structure (such as partnership, sole proprietorship, or joint venture).
- Business Owner Type (self-certified): 1) Not female or handicapped, 2) Female, 3) Physically handicapped female, 4) Physically handicapped male, or 5) Unknown.
- Small Business, Disadvantaged, or Other Certification Type: 1) Not certified as such, 2) SBA certified small business, 3) SBA certified as small disadvantaged business, 4) Other government or agency-recognized certification (such as Minority Supplier Development Council), 5) Self-certified small business, 6) SBA certification as small business and other government or agency recognized certification, 7) SBA certification as small disadvantaged business and other government or agency-recognized certification, 8) Other government or agency-recognized certification and self certified small business, or 9) Unknown.
- Racial or Ethnic Type Unconditional Majority Owner: 1) African American, 2) Asia Pacific American, 3) Subcontinent Asian American, 4) Hispanic American, 5) Native American Indian, 6) Native Hawaiian, 7) Native Alaskan, 8) Caucasian, 9) Other, and 10) Unknown.
- Merchant/Employer Tax ID number: If not a corporation, principal owner's Social Security Number.
- Merchant SIC code: 4-digit number.

### *VISA Data base*

- Merchant Incorporation Status Code: 1) Other, 2) Individual/sole Proprietorship, 3) Partnership, or 4) Corporation.
- Woman-Owned Indicator: Identifies if a woman (yes or no) owns the merchant.
- Merchant Minority Vendor Code: Identifies if the merchant is owned by a minority: 1) Not minority owned, 2) Asian-Indian, 3) Asian-Pacific, 4) Black, 5) Hispanic, or 6) Native American.
- Annual sales in US dollars for the merchant location.

- **Number of Employees at the merchant location.**
- **Merchant 9-digit Taxpayer Identification Number assigned by the Internal Revenue Service for U.S. merchants only.**
- **Merchant Primary Standard Industrial Classification (SIC) code at the 4-digit level.**